

15

NEW NUMBER

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

(202) 393-2266

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD*
CHARLES T. KAPPLER
JOHN H. DOYLE*
JAMES C. MARTIN JR.*

*ALSO ADMITTED IN NEW YORK
*ALSO ADMITTED IN MARYLAND

OF COUNSEL
URBAN A. LESTER

TELEX
440367 A AND A

TELEFAX
(202) 393 2156

17153

RECORDATION NO. _____ FILED 1425

DEC 28 1990 - 2:35 PM

December 19, 1990

INTERSTATE COMMERCE COMMISSION

Dec 28 2 26 PM '90
MOTOR OPERATING UNIT

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

0-362A018

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) fully executed and acknowledged original copies of a Security Agreement dated as of December 12, 1990, a primary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Borrower: Greenbrier Railcar Inc.
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97035

Secured Parties: Greenbrier Leasing Corporation
One Centerpointe Drive, Suite 200
Lake Oswego, Oregon 97035

First Bank National Association
First Bank Place
Minneapolis, Minnesota 55480

A description of the railroad equipment covered by the enclosed document is set forth in Schedule 1 attached hereto.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

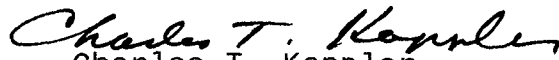
Counterpart - C.T. Kappler

Mr. Sidney L. Strickland, Jr.
Interstate Commerce Commission
December 19, 1990
Page Two

A short summary of the enclosed document to appear in the
Commission's Index:

Security Agreement dated as of December 12,
1990 among Greenbrier Railcar, Inc.,
Greenbrier Leasing Corporation and First Bank
National Association covering railcars.

Very truly yours,


Charles T. Kappler

CTK/bg
Enclosures

SCHEDULE 1
TO
SECURITY AGREEMENT

Description of Vehicles:

Two hundred (200) Boxcars, Plate "C," interior length 50'7," repaired to Rebuilt Status under Rule 88 of AAR Interchange Rules and bearing reporting marks and numbers CRLE 71000 through CRLE 71199, both inclusive.

N121301

1/21/20

SCHEDULE 2
TO
SECURITY AGREEMENT

Leases:

Agreement dated as of September 11, 1989 between Greenbrier Railcar, Inc. and Canadian National Railway Company as amended by that certain Amendment to Agreement dated as of April 20, 1990.

N121301

Interstate Commerce Commission

Washington, D.C. 20423

12/28/90

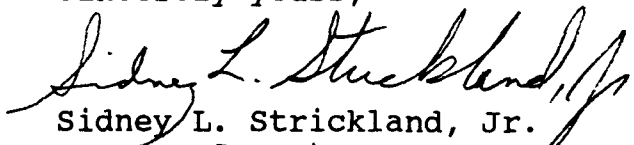
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
(918 16th Street, N.W.
Washington, D.C. 20006

Dear Sir;

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/28/90 at 2:35 PM , and assigned recordation number(s). 17153 Lead, & 15504-BBB & CCC, & 16448-C & B & 16449-C & D

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

SECURITY AGREEMENT

RECORDED NO 17153 FILED 1990

DEC 28 1990 2:25 PM

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT ("Security Agreement"), dated as of December 12, 1990 among GREENBRIER RAILCAR, INC., a Delaware corporation (the "Borrower"), having its chief executive offices and chief place of business at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon, GREENBRIER LEASING CORPORATION, a Delaware corporation ("GLC"), and FIRST BANK NATIONAL ASSOCIATION, a national banking association (the "Bank"; GLC and the Bank being also hereinafter collectively referred to as the "Secured Parties").

WITNESSETH:

WHEREAS, GLC and the Bank have heretofore entered into a Consolidated Loan Agreement and a Subordinated Loan Agreement, each dated as of July 31, 1989 (as the same may be amended, supplemented or restated from time to time, hereinafter collectively referred to as the "Bank Loan Agreements,"), pursuant to which the Bank has made certain loans to GLC, as evidenced by certain promissory notes of GLC in favor of the Bank; and

WHEREAS, as security for GLC's obligations to the Bank under the Bank Loan Agreements, GLC and the Bank have entered into a Consolidated Security Agreement and a Security Agreement, each dated as of July 31, 1989 (as the same may be amended, supplemented or restated from time to time, hereinafter collectively referred to as the "Bank Security Agreements"), pursuant to which GLC granted to the Bank a security interest in certain collateral; and

WHEREAS, GLC has requested the Bank to release to GLC certain monies now held by the Bank under the Bank Loan Agreements and the Bank Security Agreements, which GLC will simultaneously loan to the Borrower under a promissory note of the Borrower in favor of GLC of even date herewith (the "Note"); and

WHEREAS, the Bank will not release said monies unless it receives a security interest in additional collateral satisfactory to it to secure GLC's obligations to the Bank under the Bank Loan Agreements and related promissory notes, and GLC will not make said loan to the Borrower unless it receives a security interest in collateral satisfactory to it to secure the Borrower's obligations to GLC under the Note; and

WHEREAS, the Borrower has agreed to provide said collateral to the Bank and GLC in accordance with this Security Agreement;

NOW THEREFORE, in consideration of the aforesaid premises and the mutual terms and covenants herein contained, the parties hereto agree as follows:

SECTION 1. THE COLLATERAL.

To secure (a) all obligations of GLC to the Bank (i) under the Bank Loan Agreements, (ii) under any and all promissory notes executed and delivered by GLC in favor of the Bank under the Bank Loan Agreements, whether now outstanding or hereafter issued, as any of said promissory notes may be amended, modified, restated, extended or renewed from time to time and (iii) hereunder, and (b) all obligations of the Borrower to GLC (i) under the Note, as the same may be amended, modified, restated, extended or renewed from time to time, (ii) under any other promissory notes hereafter executed and delivered by the Borrower in favor of the Lender which by their terms are secured by this Security Agreement, as any of said promissory notes may be amended, modified, restated, extended or renewed from time to time and (iii) hereunder (collectively, the "Obligations"), the Borrower hereby assigns to the Secured Parties all of its rights, title and interest in, whether now existing or hereafter arising, and grants the Secured Parties a lien on and security interest in, all of the Borrower's rights, title and interest, whether now existing or hereafter arising, in, to and under the following:

(a) all vehicles and goods listed on Schedule 1 hereto, all vehicles and goods listed on any Security Agreement Supplements in the form attached hereto as Exhibit A ("Security Agreement Supplements") from time to time delivered to the Secured Parties in connection herewith, and all improvements, replacements, substitutions, accessories and additions thereto, whether in the possession of the Borrower, warehousemen, bailees or any other person and whether located at the places of business of the Borrower or elsewhere (the "Vehicles");

(b) any and all leases listed on Schedule 2 attached hereto, all leases listed on any Security Agreement Supplements from time to time delivered to the Secured Parties in connection herewith, and all leases and agreements to lease, now or hereafter in effect and relating in any way to the Vehicles (the "Leases") and all rents, accounts and other rights to payment arising under the Leases ("Rents");

(c) all accounts, contracts, contract rights, documents, instruments, general intangibles, chattel paper, and all ledger sheets, files and other documents relating to the property described in paragraphs (a) and (b); and

(d) all proceeds of the sale, collection, exchange or other disposition of the property described in paragraphs (a) through (c) whether voluntary or involuntary (collectively the "Proceeds"), including, but not limited to, returned premiums, insurance proceeds, and all rights to payment with respect to any cause of action affecting or relating to such property.

All of the foregoing are hereinafter referred to collectively as the "Collateral."

SECTION 2. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Secured Parties, which representations and warranties shall survive delivery of this Security Agreement, that:

(a) The Borrower has the right and power to grant a security interest in the Collateral;

(b) The Borrower is the owner of, and has good and marketable title to the Vehicles listed on Schedule 1 hereof and to the Leases listed on Schedule 2 hereof, free and clear of all liens and encumbrances except (i) the security interest created hereby, and (ii) the leasehold interests of the lessee under any such Lease.

(c) Each Vehicle listed on Schedule 1 hereof is in the condition required by Section 3(i) hereof.

(d) Each Lease listed on Schedule 2 hereof is the valid and binding obligation of the lessee thereon, not subject as of the date hereof to any claim, offset or defense known to the Borrower.

SECTION 3. BORROWER'S COVENANTS.

The Borrower shall:

(a) not sell, discount or factor any or all of the Collateral, except for sales of Vehicles allowed under Section 5 and except as otherwise permitted hereunder;

(b) not create, permit or suffer to exist any lien, security interest, claim or right in or to any of the Collateral, except (i) the security interest granted hereunder, (ii) the leasehold interest of lessees under the Leases, and (iii) mechanics', carriers', workmen's, tax and other like liens arising in the ordinary course of business which are not overdue or which are being contested in good faith by appropriate proceedings, provided that any such lien shall be satisfied or discharged prior to the foreclosure thereof against any of the Collateral;

(c) not use or permit the use of the Vehicles for any unlawful purpose nor in any way that would void any insurance required to be carried in connection therewith;

(d) furnish reports to the Secured Parties of all acquisitions, returns, sales and other dispositions of Vehicles in such form and detail and at such times as the Secured Parties may reasonably require;

(e) not modify or amend any Lease in any way that would adversely affect the value thereof as Collateral for the Secured Parties or waive any material default thereunder except that the Borrower may waive the payment of rent under any Lease with the prior written consent of the Bank; not consent to any assignment or sublease of the Vehicles (provided that the Vehicles may be interchanged or subleased in accordance with the customary practices of the railroad industry); notify the Secured Parties of any default or condition which with notice or lapse of time could become a material default under any Lease (other than non-payment of rent) and of any claimed defense, offset or counterclaim of any lessee on any Lease promptly after becoming aware of any thereof; notify the Secured Parties of any non-payment of rent under any Lease which continues for more than 45 days after such payment was due; enforce each Lease in accordance with its terms and perform all obligations as lessor under the Leases;

(f) promptly upon its acquisition of each replacement Vehicle pursuant to Section 4 or Section 5, furnish or cause to be furnished to the Secured Parties a Security Agreement Supplement describing each such Vehicle with such specificity as the Secured Parties may reasonably require. Promptly upon the loss, theft, destruction or abandonment of any Vehicle, the Borrower will furnish or cause to be furnished to the Secured Parties a deletion notice describing each such Vehicle to be deleted from the list of Collateral hereunder and a statement of the circumstances surrounding such loss, theft, destruction or abandonment with such specificity as the Secured Parties may reasonably require;

(g) promptly after executing any Long-Term Lease (as such term is hereinafter defined), deliver to the Bank, as agent for the Secured Parties, such original executed Lease, a written acknowledgement by the lessee thereunder of the existence of this Security Agreement and the Obligations (provided that a separate written acknowledgment shall not be required if such Lease contains such acknowledgment) and a copy of any opinion of counsel to each lessee obtained by the Borrower and furnish or cause to be furnished to the Secured Parties a Security Agreement Supplement adding each Lease not described in Schedule 2 or any prior Security Agreement Supplements thereto and deleting each previously described Lease which has been terminated;

(h) acquire any replacement Vehicle only if such Vehicle is acquired by the Borrower as owner, free and clear of all liens and encumbrances, except (i) the security interest created hereby and (ii) the leasehold interest of the lessee under any Lease applicable to such Vehicle;

(i) keep all Vehicles in good order, repair and salable condition, ordinary wear and tear excepted, in accordance with the standards and practices adhered to by user of similar items; not sell, transfer, dispose of, waste, destroy or abandon the Vehicles or any part thereof except for (i) any Vehicle that, in the good faith judgment of the Borrower, is worn-out, obsolete or without material economic value, and (ii) Vehicles sold pursuant to Section 5;

(j) if any of the Vehicles are covered by certificates of title, not obtain certificates of title from more than one jurisdiction covering the same Vehicle and deliver to the Bank, as agent for the Secured Parties, promptly upon issuance by the appropriate state authorities all certificates of title or of ownership for such Vehicles; notify the Secured Parties in writing of any changes in the certificates of title or ownership covering such Vehicles; upon replacing any Vehicle, immediately obtain for such Vehicle a certificate of title, naming the Bank (as agent for the Secured Parties) as lienholder from the appropriate state officials; and take all necessary action to perfect the security interest of the Secured Parties in such replacement Vehicle;

(k) at the request of the Bank, cause every copy of each Lease included in the Collateral which is in the possession of the Borrower to be stamped or imprinted with a legend, in form satisfactory to the Bank, to the effect that such Lease is subject to a security interest in favor of the Bank, as agent for the Secured Parties; and

(l) promptly give notice in writing to the Secured Parties, as soon as the Borrower obtains knowledge thereof, of (i) the occurrence of any Event of Default under this Agreement or of any condition, act or event which with the giving of notice or lapse of time, or both, would constitute such an Event of Default, and (ii) any loss, destruction, condemnation or requisition of any Vehicle financed hereunder or of any damage to any Vehicle requiring repairs in excess of an amount equal to thirty percent (30%) of the Fair Market Value (as such term is hereinafter defined) of such Vehicle.

SECTION 4. CASUALTY LOSS OR CONDEMNATION AND PREPAYMENT.

In the event any Vehicle is lost, destroyed, irrevocably damaged or condemned, requisitioned, confiscated or otherwise taken by any governmental body or stolen and not recovered by the Borrower within 10 days, and such Vehicle shall not have been repaired to the condition required to be maintained pursuant to Section 3(i) or replaced by a Vehicle meeting the requirements of Section 7, the Borrower shall prepay such of the Obligations as shall be selected by the Bank in its discretion, in an amount equal to the Fair Market Value of the Vehicle so lost or destroyed. Such payment shall be made promptly upon receipt of any insurance or other cash proceeds of such Vehicle and in any event within 90 days after such loss or destruction; provided, however, that if such Vehicle is repaired to the condition

required by Section 3(i) or replaced by a Vehicle meeting the requirements of Section 7 prior to the earlier of the receipt of insurance or other cash proceeds or the date 90 days after such loss or destruction, no such payment need be made.

SECTION 5. SALE OF VEHICLES AND PREPAYMENT.

The Borrower may from time to time sell any Vehicle notwithstanding the existence of the security interest of the Secured Parties therein, provided that promptly after such sale the Borrower shall either (a) prepay such of the Obligations as shall be selected by the Bank in its discretion in an amount equal to the Fair Market Value of the Vehicle sold, or (b) replace the Vehicle sold with a Vehicle meeting the requirements of Section 7, or (c) notify the Secured Parties in writing of its intention to replace the Vehicle sold with a Vehicle meeting the requirements of Section 7, and immediately deposit with the Bank, as agent for the Secured Parties, an amount equal to the Fair Market Value of the Vehicle sold. Any amount deposited by the Borrower pursuant to clause (c) of the preceding sentence shall be deposited by the Bank in a money market insured savings account or a substantially equivalent interest-bearing account (if such an account is available with respect to a deposit of such size and duration, but if a money market insured savings account is not available, then such deposit shall be held in a demand deposit account) until the replacement Vehicle is acquired, at which time the amount on deposit in such account shall be paid to the Borrower; provided, however, that if the replacement Vehicle is not acquired within 60 days after such sale, the Bank may, in its discretion, apply the amount on deposit in such account to the prepayment of the Obligations in such order as shall be selected by the Bank in its discretion. Upon any sale of a Vehicle as permitted by this Section 5, the Secured Parties shall, at the Borrower's request and the Borrower's expense, provide the Borrower with any necessary or appropriate releases and terminations of the security interest of the Secured Parties in such Vehicle.

SECTION 6. INSURANCE.

The Borrower shall maintain insurance on and with respect to the Vehicles of the types customarily carried by companies similarly situated and in amounts reasonably satisfactory to the Bank; provided, that the Borrower shall maintain casualty insurance on the Vehicles in an aggregate amount not less than the aggregate outstanding principal balance of the Obligations. The Borrower shall provide the Bank, as agent for the Secured Parties, with certificates or policies evidencing such insurance coverage. All third party liability insurance shall name the Bank (as agent for the Secured Parties) as an additional insured and all insurance against loss of or damage to the Vehicles shall contain a lender's loss payable endorsement in favor of the Bank (as agent for the Secured Parties) and all such insurance shall contain a provision precluding cancellation or change unless at least ten days prior written notice has been given to the Bank. Notwithstanding the foregoing, for so long as any Vehicle is leased to a lessee whose credit has been

approved in writing by the Bank and which is and remains a qualified self-insurer under the applicable laws of the states in which it operates, the provisions of this Section 6 requiring the Borrower to maintain insurance with respect to such Vehicle shall be waived.

SECTION 7. REPLACEMENT VEHICLES.

The Borrower shall not offer a Vehicle as a replacement Vehicle for a Vehicle lost, condemned, etc. under Section 4 or for a Vehicle sold under Section 5 unless (a) such Vehicle has a Fair Market Value equal to at least the Fair Market Value of the Vehicle it replaces and (b) the Secured Parties are granted a security interest in such replacement Vehicle pursuant to a Security Agreement Supplement.

SECTION 8. LONG-TERM LEASES.

Unless the Bank shall otherwise consent, all Long-Term Leases shall be made upon terms which do not vary or deviate substantially from the provisions of a standard lease form to be submitted to, and which shall be subject to the approval of, the Bank. If the Borrower shall enter into any Long-Term Lease covering any Vehicle after the date hereof, the Borrower shall, on or before the date on which such Long-Term Lease is entered into, cause the lessee under each such Long-Term Lease to acknowledge in writing to the Bank (as agent for the Secured Parties) the existence of this Security Agreement and the security interest granted thereby to the Secured Parties in such Vehicles and such Long-Term Lease.

SECTION 9. FURTHER ASSURANCES.

The Borrower shall use its best efforts to supply the Secured Parties promptly with such information concerning the Collateral as the Secured Parties may reasonably request from time to time hereafter. At the Borrower's expense, the Borrower shall execute and deliver to the Bank (as agent for the Secured Parties) concurrently with the execution of this Security Agreement, and at any time or times hereafter at the request of the Bank, all vehicle title documents, financing statements, continuation statements, security agreements, assignments, affidavits, reports, notices, and other documents, including, without limitation, originals of all instruments, documents and chattel paper consisting of the Collateral, necessary to maintain a first perfected security interest in the Collateral or that the Bank may reasonably request, in a form satisfactory to the Bank, to maintain the Secured Parties' assignment of, lien on and security interest in the Collateral and to consummate fully all of the transactions contemplated under this Security Agreement. The Borrower shall file all financing statements, security agreements and vehicle title documents necessary to preserve its and the Secured Parties' interests in the Vehicles against any person claiming an interest therein by or through any lessee or by virtue of any Lease, including filings with the Interstate

Commerce Commission under 49 U.S.C. § 11303 and 49 CFR Part 1177, and shall furnish the Secured Parties with evidence of such filings satisfactory to the Secured Parties. The Borrower hereby irrevocably authorizes the Bank (as agent for the Secured Parties) to file, at the Borrower's expense, such Vehicle title documents, financing statements, continuation statements and other documents as the Bank may deem necessary or reasonably desirable for the perfection of the security interest and lien of the Secured Parties hereunder, without the Borrower's signature, and appoints the Bank as the Borrower's attorney-in-fact (which appointment is irrevocable and coupled with an interest) to execute any such statements and documents in the Borrower's name and to perform all other acts which the Bank deems appropriate to perfect and continue the security interest granted to the Secured Parties hereunder. The Borrower will execute and deliver to the Bank (as agent for the Secured Parties) such additional documents as the Bank may reasonably require or deem advisable to carry into effect the purpose of this Security Agreement or to maintain the Secured Parties' interests hereunder.

SECTION 10. RECORDS AND INSPECTION.

The Borrower will, with respect to the Collateral, deliver to the Bank (as agent for the Secured Parties) at the Borrower's expense such papers as the Bank may request, including, without limitation, statements of customer accounts, bank statements, invoices, evidence of shipment or delivery and receipts. The Borrower hereby represents and covenants that its records relating to the Collateral, including without limitation all originals of all Leases, instruments and other chattel paper relating thereto not delivered to the Bank, will be kept at its chief executive office, which is presently located at the address set forth in Section 22 hereof. The Borrower shall notify the Secured Parties at least 30 days in advance of any change in its name or in the location of its chief executive office.

SECTION 11. EVENTS OF DEFAULT.

The following events ("Events of Default") shall be a default hereunder:

(a) failure of the Borrower to pay any of the Obligations when due; or

(b) failure of the Borrower to perform any of the covenants herein and such failure shall continue for 20 days after (i) notice of such failure from the Bank, as agent for the Secured Parties; or (ii) the Bank is notified of such failure or should have been so notified pursuant to the provisions hereof; or

(c) any warranty or representation of the Borrower made herein or in the Bank Loan Agreements or any related promissory note, the Note, any Security Agreement Supplement or other certificate or report furnished by the

Borrower to either of the Secured Parties in connection herewith shall have been materially false when made; or

(d) an "Event of Default" (as defined in the Bank Loan Agreements) shall occur under either of the Bank Loan Agreements.

SECTION 12. RIGHTS UPON DEFAULT.

Upon the occurrence of an Event of Default hereunder:

(a) The Bank, as agent for the Secured Parties, may declare any and all Obligations to be, and the same shall forthwith become, immediately due and payable;

(b) The Bank, as agent for the Secured Parties, shall be entitled to exercise, with respect to the Collateral, any or all of the rights and remedies available to a secured party under the Uniform Commercial Code in effect in the State of Minnesota or any other jurisdiction in which Collateral may be located at that time and, in addition thereto, the rights and remedies provided for herein and such other rights and remedies as may be provided by law, including, without limitation, rights of set-off and bankers' lien, the aforesaid rights and remedies of the Bank to be cumulative and non-exclusive;

(c) The Borrower shall, upon the request of the Bank, assemble the Collateral (or any portion thereof) at such place or places as the Bank shall designate (subject always to the rights of the lessees under the Leases), and the Bank shall have the right, with or without legal process and with or without prior demand, directly or through its agents to take possession of all or any part of the Collateral. Furthermore the Bank shall have the right, without notice or demand or legal process, to enter upon any premises of the Borrower for the purpose of taking such possession;

(d) The Bank, as agent for the Secured Parties, may exercise all rights of the Borrower under any Lease;

(e) The Bank, as agent for the Secured Parties, may notify the lessees under the Leases and any other person obligated on any of the Collateral of the existence of the Secured Parties' security interests and may direct that all Rents and other sums due or to become due on any of the Leases or other Collateral be paid directly to the Bank, as agent for the Secured Parties; and all Rents and other payments thereafter received by the Borrower with respect to any of the Collateral shall be received and held by the Borrower in trust for the Bank, as agent for the Secured Parties, and shall not be commingled with any other property, and shall be delivered to the Bank immediately upon receipt thereof by the Borrower in the same form as received except for any necessary endorsement of the Borrower;

(f) The Bank, as agent for the Secured Parties, may demand, collect, receive and receipt for, compromise, compound, settle and give acquittance for, and prosecute and discontinue any suits or proceedings in respect of any or all of the Collateral or of any insurance on any or all of the Collateral, and may pay or discharge any taxes, liens and encumbrances levied or placed on or threatened against the Collateral (and any such payments shall be part of the Obligations and be payable by the Borrower on demand), and may take any other action which the Bank may deem necessary or desirable in order to realize on the Collateral, including, without limitation, the power to perform any contract and to endorse in the name of the Borrower any checks, drafts, notes or other documents which are Collateral or are received in payment or on account of the Collateral.

Notwithstanding any of the foregoing, nothing in this Security Agreement (including, without limitation, Section 11 and this Section 12) shall be deemed to preclude or to limit the right of a Secured Party to demand immediate payment of any Obligation which by its terms is payable upon demand.

SECTION 13. REASONABLENESS OF NOTICES.

Any notice required by law to be given by the Bank or the Secured Parties of any disposition of the Collateral or any other intended action by the Bank or the Secured Parties, which is given in accordance with Section 22 at least 10 calendar days prior to such proposed action, shall constitute reasonable and fair notice to Borrower of any such action.

SECTION 14. PROCEEDS.

All proceeds and other monies received by the Bank or either of the Secured Parties pursuant to the terms of this Security Agreement shall be applied as follows:

(a) To the payment of all expenses reasonably incurred by the Bank, as agent for the Secured Parties, in connection with the exercise of any right or remedy hereunder, to the extent that such advances, costs and expenses shall not theretofore have been reimbursed to the Bank by the Borrower; and

(b) To the payment of Obligations in such order as the Bank shall determine in its sole and absolute discretion, any surplus to be paid to Borrower, its successors or assigns, or as a court of competent jurisdiction may direct.

SECTION 15. INDEMNITY.

In no event shall the Bank be liable for any matter or thing in connection with this Security Agreement other than to account for monies actually received by it in accordance with the terms hereof. The Bank does not in any way assume any of the Borrower's obligations under any Lease or any other Collateral. The Borrower agrees to indemnify and hold harmless the Bank from and against any and all claims, demands, losses, judgments and liabilities of whatsoever kind or nature and to reimburse the Bank for all costs and expenses, including attorney's fees, growing out of or resulting from the exercise by the Bank of any right or remedy granted to it hereunder with respect to the Collateral.

SECTION 16. COUNSEL FEES.

If at any time or times hereafter the Bank shall employ counsel:

(a) to represent the Bank in any litigation, contest, dispute, suit or proceeding (whether instituted by the Bank, GLC, the Borrower or any other entity) in any way or respect relating to any of the Collateral or this Security Agreement;

(b) to protect, collect, lease, sell, take possession of or liquidate any of the Collateral;

(c) to attempt to enforce any assignment or security interest of the Secured Parties in any of the Collateral; or

(d) to enforce any rights of the Secured Parties against the Borrower or against any other entity which may be obligated to either of the Secured Parties by virtue of this Security Agreement,

then, in any of the foregoing events, all of the reasonable attorneys' fees arising from such services and all reasonable expenses, costs and charges in any way or respect arising in connection therewith or relating thereto shall constitute a part of the Obligations in connection with which such actions were taken, shall bear interest from the date of the Bank's payment thereof at the interest rate provided for in the Note.

SECTION 17. WAIVERS.

The Bank's failure at any time or times hereafter to require strict performance by the Borrower of any of such undertakings, or agreements and covenants shall not waive, affect, or diminish any right of the Bank hereunder to demand strict compliance and performance therewith. Any waiver by the Bank of any default by the Borrower under this Security Agreement shall not waive or affect any other default by the Borrower under this Security Agreement, whether such default is prior or subsequent thereto and whether of the same or a different type.

None of the undertakings, agreements and covenants of the Borrower contained in this Security Agreement, and no default by the Borrower under this Security Agreement, shall be deemed to have been waived by the Bank or the Secured Parties unless such waiver is evidenced by an instrument in writing signed by an officer of the Bank and directed to the Borrower specifying such waiver.

SECTION 18. TERMINATION.

This Security Agreement shall terminate when all the Obligations have been fully paid and satisfied, at which time the Bank, as agent for the Secured Parties, shall reassign and deliver to the Borrower all the Collateral which shall then be held by the Bank or in its possession and, if requested by the Borrower, shall execute and deliver to the Borrower for filing in each office in which any financing statement or certificate of title relative to the Collateral, or any part thereof, shall have been filed, a termination statement or other evidence of release of an interest releasing the Secured Parties' interests therein, all without recourse upon or warranty by the Bank or the Secured Parties and at the cost and expense of the Borrower.

SECTION 19. AMENDMENTS.

This Security Agreement may not be altered or amended except by an agreement in writing signed by the Secured Parties and the Borrower.

SECTION 20. SEVERABILITY.

If any provision of this Security Agreement or the application thereof to any party or circumstances is held invalid or unenforceable, the remainder of this Security Agreement and the application of such provision to other parties or circumstances will not be affected thereby, the provisions of this Security Agreement being severable in any such instance.

SECTION 21. SUCCESSOR-IN-INTEREST.

This Security Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Secured Parties and the Borrower. Upon the transfer by either of the Secured Parties of the Obligations owed to it or any part thereof, such Secured Party may transfer all or any part of its rights hereunder to the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to any of the Collateral so transferred, but with respect to any Collateral not so transferred such Secured Party shall retain all rights and powers herein given.

SECTION 22. NOTICES.

Any notice which any party may be required or may desire to give to the other party under any provision of this Security Agreement or any Security Agreement Supplement shall be in writing and shall be deemed to have been given or made when personally delivered to the office described below, when transmitted by telecopy or facsimile to the number set forth below, or five days after deposited in the mail, postage prepaid, and addressed as follows:

To GLC: Greenbrier Leasing Corporation
One Centerpointe Drive
Suite 200
Lake Oswego, Oregon 97035
Attention: Norriss M. Webb,
Executive Vice President
Telecopier Number: (503) 684-7553

To the Bank: First Bank National Association
First Bank Place
Minneapolis, Minnesota 55480
Attention: James A. Mogen
Vice President
Telecopier Number: (612) 335-5543

To the Borrower: Greenbrier Railcar, Inc.
One Centerpointe Drive
Suite 200
Lake Oswego, Oregon 97035
Attention: Norriss M. Webb,
Vice President
Telecopier Number: (503) 684-7553

The Secured Parties and the Borrower may change the addresses and/or telecopier numbers to which all notices, requests and other communications are to be sent by giving written notice of such change to the other party in conformity with this section, but such change shall not be effective until notice of such change has been received by the other parties.

SECTION 23. DEFINED TERMS.

In addition to the terms defined elsewhere in this Security Agreement, the following terms shall have the following respective meanings:

"Fair Market Value": with respect to a Vehicle, the sale price that would be obtained for such Vehicle in an arm's-length transaction between an informed and willing buyer and an informed and willing seller, under no compulsion, respectively, to buy or sell, and neither of which is related to the Borrower, which shall be (i) with respect to any Vehicle sold in such an arm's-length transaction consented to by the Bank, as agent for the Secured Parties, the sale price of such Vehicle in such transaction, or (ii) otherwise, such value as is determined by an appraiser mutually satisfactory to both the Borrower and the Bank, as agent for the Secured Parties, which regularly is in the business of reselling or appraising vehicles of a type similar to the Vehicles, or, if no such mutually agreed upon appraiser can be found, by the insurance company then providing physical damage insurance for such Vehicle.

"Long-Term Lease": with respect to any Vehicle, any Lease of such Vehicle having an unexpired lease term (including any renewal rights exercisable at the option of the lessee) of three years or longer at the time such Vehicle is included in the Collateral.

"Reference Rate": the rate of interest from time to time publicly announced by the Bank as its "reference rate". The Bank may lend to its customers at rates that are at, above or below the Reference Rate.

SECTION 24. GOVERNING LAW.

This Security Agreement shall be governed by the laws (including the choice of law rules) of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed and delivered by their respective officers duly authorized thereunto as of the day first written above.

GREENBRIER RAILCAR, INC.

By: Norris M. Webb
Name: Norris M. Webb
Title: Vice President

GREENBRIER LEASING CORPORATION

By: Norriss M. Webb
Name: Norriss M. Webb
Title: Executive Vice President

FIRST BANK NATIONAL ASSOCIATION

By: James A. Mogen
Name: James A. Mogen
Title: Vice President

STATE OF OREGON)
) SS.
COUNTY OF CLACKAMAS)

On this 13th day of December, 1990, before me personally appeared Norris M. Webb, to me personally known, who being by me duly sworn, says that he is the Vice President of GREENBRIER RAILCAR, INC. a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My commission expires:

5/28/94

[SEAL]

Janet E. Hudson
Notary Public

STATE OF OREGON)
) SS.
COUNTY OF CLACKAMAS

On this 13th day of December, 1990, before me personally appeared Norriss M. Webb, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of GREENBRIER LEASING CORPORATION, a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My commission expires:

5/28/94

[SEAL]

Janet E. Hudson
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

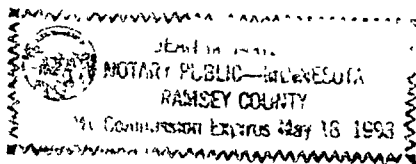
On this 13th day of December, 1990, before me personally appeared James A. Mogen, to me personally known, who being by me duly sworn, says that he is the Vice President of FIRST BANK NATIONAL ASSOCIATION, a national banking association, that the foregoing instrument was signed on behalf of said association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

My commission expires:

5.18.93

Jean M Maclock
Notary Public

[SEAL]



SCHEDULE 1
TO
SECURITY AGREEMENT

Description of Vehicles:

Two hundred (200) Boxcars, Plate "C," interior length 50'7," repaired to Rebuilt Status under Rule 88 of AAR Interchange Rules and bearing reporting marks and numbers CRLE 71000 through CRLE 71199, both inclusive.

N121301

1/24/12

SCHEDULE 2
TO
SECURITY AGREEMENT

Leases:

Agreement dated as of September 11, 1989 between Greenbrier Railcar, Inc. and Canadian National Railway Company as amended by that certain Amendment to Agreement dated as of April 20, 1990.

N121301

SECURITY AGREEMENT SUPPLEMENT

This SECURITY AGREEMENT SUPPLEMENT, dated as of _____, 19__ among GREENBRIER RAILCAR, INC. (the "Borrower"), a Delaware corporation, to GREENBRIER LEASING CORPORATION ("GLC"), a Delaware corporation, and FIRST BANK NATIONAL ASSOCIATION (the "Bank"), a national banking association (GLC and the Bank being also hereinafter collectively referred to as the "Secured Parties"), as a supplement to the Security Agreement dated as of December 12, 1990 among the Borrower, GLC and the Bank (as the same may be amended or supplemented from time to time, hereinafter called the "Security Agreement").

1. Capitalized terms used herein shall have the meanings attributed thereto in the Security Agreement.

2. As further security for the Obligations, the Borrower hereby assigns to the Secured Parties, and grants to the Secured Parties a security interest in, all of the Borrower's rights, title and interest in, to and under the following items of Collateral: (a) the Vehicles listed on Attachment 1 hereto and all improvements, replacements, substitutions, accessories and additions thereto; (b) the Leases listed on Attachment 1 hereto and all leases and agreements to lease now or hereafter in effect and relating in any way to the Vehicles and all rents, accounts and other rights to payment arising under the Leases; (c) all accounts, contract rights, documents, instruments, general intangibles, chattel paper, and all ledger sheets, files and other documents relating to the property described in the preceding clauses (a) and (b); and (d) all Proceeds of all of the foregoing and all rights to payment with respect to any cause of action affecting or relating to such property. This grant of a security interest is made under and pursuant to the terms of the Security Agreement.

3. The Borrower warrants to the Secured Parties that (a) it is the lawful owner of the Vehicles, Leases and Proceeds referred to in paragraph 2 above, free and clear of all liens and encumbrances (except the security interests of the Secured Parties and the leasehold interest of the lessees under the Leases); (b) each Vehicle listed on Attachment 1 has been received, delivered and accepted by a duly authorized agent of the Borrower and each such Vehicle is in the condition required by the Security Agreement; and (c) each Lease listed on Attachment 1 is the valid and binding obligation of the lessee thereon and is not subject as of the date hereof to any claim, offset or defense known to the Borrower, and the names and addresses of the lessees, the lease terms and the Rents payable on such Leases as shown on the attachment are true and correct.

[4.] The Secured Parties hereby release from the lien of the Security Agreement Vehicles [and Leases] described on Attachment 2 hereto.]

[4.][5.] This Security Agreement Supplement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the date first above written.

GREENBRIER RAILCAR, INC.

By: _____

Title: _____

GREENBRIER LEASING CORPORATION

By: _____

Title: _____

FIRST BANK NATIONAL ASSOCIATION

By _____

Title: _____

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 19____, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of GREENBRIER RAILCAR, INC., a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My commission expires:

[SEAL]

Notary Public

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 19__, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of GREENBRIER LEASING CORPORATION, a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

My commission expires:

[SEAL]

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF HENNEPIN)

On this ____ day of _____, 19__, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he/she is the _____ of FIRST BANK NATIONAL ASSOCIATION, a national banking association, that the foregoing instrument was signed on behalf of said association by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

My commission expires:

[SEAL]

Notary Public

ATTACHMENT 1
TO
SECURITY AGREEMENT SUPPLEMENT

Description of Vehicles:

Leases:

ATTACHMENT 2
TO
SECURITY AGREEMENT SUPPLEMENT

Description of Released Vehicles:

Description of Released Leases: